

Department of Public Works

Bureau of Engineering
Bureau of Contract Administration
Joint Report No. 4

June 17, 2009
CD No. 11

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California

JUN 17 2009


Secretary
174393

CENTRAL OUTFALL SEWER (COS) REHABILITATION, NORTH OUTFALL REPLACEMENT SEWER (NORS) DIVERSION 4 TO MARKET STREET - CONTRACT AWARD (W.O. No. SZC11387)

RECOMMENDATIONS

1. Declare J.R. Pipeline Co., Inc. (J.R. Pipeline), first low bidder, to be the lowest responsive, responsible bidder and award them a contract for this project for \$15,050,237.
2. Authorize the President or two members of the Board to execute the contract after approval as to form by the City Attorney has been obtained.

TRANSMITTAL

Summary of bids received on March 25, 2009.

DISCUSSION

Background

The COS is one of the City's largest and oldest sewers, serving a large portion of south and southwest Los Angeles. This project will rehabilitate the section of COS from the NORS Diversion 4 located in the Los Angeles International Airport's Parking Lot C to a point near the intersection of Market Street and Hyde Park Boulevard in the City of Inglewood. The project calls for approximately 14,000 linear feet of the 60-inch by 73-inch brick lined COS to be rehabilitated, of which approximately 5,800 feet lies within the City of Inglewood. The contract construction duration is 720 calendar days.

The project has been reviewed for environmental considerations. It was determined to be categorically exempt from the provisions of the California Environmental Quality Act of 1970, under Article III of the City's Environmental Quality Act Guidelines.

The three lowest of the six bids received (Transmittal) compared with the City Engineer's estimate of \$25,000,000 are:

Bid No.	Contractor's Name	Bid Amount	(%) High/Low	(%) Pledged		
				MBE	WBE	OBE
Low Bid	J.R. Pipeline Co. Inc.	\$15,050,237	39.80% Low	4.40	0	8.66
2 nd Bid	Colich & Sons, L.P. (Colich)	\$16,109,903	35.56% Low	0.51	0	37.28
3 rd Bid	Mladen Buntich Construction Co., Inc. (Buntich)	\$17,437,410	30.25% Low	0	0	10.27

An evaluation of bids indicates that these three bids are reasonable and the unit prices submitted by the bidders are reasonably balanced. Staff recommends awarding the contract to J.R. Pipeline, first low bidder, subject to verification of all other bidding requirements.

Minority Business Enterprise/Women Business Enterprise/Other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program

This project mandated bidders to perform their Good Faith Effort (GFE) via the internet on the Business Assistance Virtual Network (BAVN), a service provided by the Mayor's Office of Economic Development. The subcontractor outreach via the internet is less paper-intensive for bidders.

The project was advertised with MBE and WBE anticipated participation levels of 6 percent and 2 percent, respectively, and with mandatory GFE documentation requirements. The GFE requires bidders to provide MBE, WBE and OBE firms an equal opportunity to participate in the performance of all City contracts. The Office of Contract Compliance (OCC), based on a review of the documents submitted by J.R. Pipeline, reported that the contractor pledged an MBE level of 4.40 percent, a WBE level of 0 percent, and complied with the GFE subcontractor outreach requirements of the bid. The Mandatory Subcontracting Minimum (MSM) requirement for this project is 10 percent and the contractor has complied by pledging a subcontractor participation level of 13.59 percent. This percentage was calculated after subtracting the fixed amount of \$590,000 for allowances from the total bid amount. J.R. Pipeline submitted the following MBE/OBE subcontractor information:

Gender/Ethnicity Codes:

AA=African American	HA=Hispanic American
SAA=Subcontinent Asian American	APA=Asian Pacific American
C=Caucasian	NA=Native American
M=Male	F=Female

Subcontractors	MBE/ OBE	Gender/ Ethnicity	(%) of Bid	Dollar (\$) Amount
United Pumping Service, Inc.	MBE	M/HA	2.34	\$352,600.00
LNA Concrete Structures, Inc.	MBE	M/HA	2.06	\$310,300.00
J F Pacific Liners, Inc.	OBE		0.96	\$144,723.15
Filter Recycling Services, Inc.	OBE		1.54	\$232,146.00
Ameron International Protective Lining Products	OBE		4.65	\$700,000.00
Cemex	OBE		1.50	\$225,750.00

Compliance with the City's Non-Discrimination Policies

J.R. Pipeline has complied with the Affirmative Action, Equal Benefits Ordinance and Slavery Disclosure Ordinance requirements of the bid.

Previous Work Record

J.R. Pipeline has no record of having worked on any previous Bureau of Engineering contracts awarded by the Board of Public Works (BPW) in the past five years. The OCC has checked with various State agencies and none of these agencies reported any labor compliance problems on file concerning the contractor.

The Inspector of Public Works conducted an investigation of references provided by the contractor and did not find any evidence of violations of statutes, regulations, ordinances, or wrong doing by the contractor. The fitness of J.R. Pipeline to undertake the contract was verified and the report dated May 28, 2009 was submitted to the Board.

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Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10, of the City of Los Angeles Administrative Code (L.A.A.C.), the Project Manager and the City Inspector for this construction contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of this contract.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance No. 173677 (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render this bidder's contract subject to termination pursuant to the conditions expressed therein.

Conclusion

In view of the above findings, we recommend that the Board declare J.R. Pipeline, first low bidder, to be the lowest responsive, responsible bidder, and award them the contract for this project.

Program Review Committee (PRC) Approval

The PRC approved a total budget at \$ 27,500,000, including contingency, for this project on November 10, 2004.

STATUS OF FINANCING

Total funding for this project, including contingency, is \$16,555,261. Funds in the amount of \$91,638 are available in Account No. EA9J, titled, "COS Rehab NORS Div 4 to Market." Funds in the amount of \$10,000,000 have been requested in the FY 2009-10 Wastewater Capital Improvement Program (WCIP) budget in an account titled "COS Rehab NORS Div 4 to Market." The remaining amount of \$6,463,623 will be requested in the WCIP budget for subsequent fiscal years. Funds may be drawn from the Sewer Capital Fund No. 761, the WW Syst Comm Paper A Const Fund No. 70W, or any future funds established as a result of commercial paper or bond sales, at the discretion of the Director of the Bureau of Sanitation or appointed designee. The contract contains a "Financial Liability Clause" which states that "the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract."

The following funding has been verified and approved by the Director of the Office of Accounting, subject to conditions described above:

Account	Contract	Contingencies	Total
Account No. EA9J	\$ 83,307	\$ 8,331	\$ 91,638
FY 2009-10 WCIP Budget	\$ 9,090,909	\$ 909,091	\$10,000,000
Future FY WCIP Budget	\$ 5,876,021	\$ 587,602	\$ 6,463,623
Total	\$15,050,237	\$1,505,024	\$16,555,261

(TSA RTH WFB)

Report reviewed by:
BOE (PAC and WCE) and BOS (FMD)

Report prepared by:
Contract Award Section

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Compliance Review Performed
and Approved by:



Hannah Choi, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Statement as to Funds Approved by:



for
Craig V. Bloomquist, Director
Office of Accounting
Board of Public Works
Date: 6/10/09

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Questions regarding this report
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Respectfully submitted,



Gary Lee Moore, P.E.
City Engineer



John L. Reamer, Jr.
Inspector of Public Works